

**Remarks/Arguments**

Please amend claims 1 and 15.

**I. Rejections under 35 U.S.C. §101:**

Examiner, continues to reject claims 1-15 as being directed to non-statutory subject matter under 35 U.S.C. §101. In particular, Examiner has rejected claims 1-15 as being directed merely to an arrangement of data, although stored in a processor readable medium. Examiner states that an "arrangement of data is non-functional descriptive material, which is not statutory subject matter even if stored in a computer-readable medium," citing MPEP §2106IV.B.1 and IV.B.1(b). Applicants continue to respectfully disagree with Examiner and continue to argue that claims 1-15 describe descriptive material that can be characterized as "functional descriptive material." Applicants assert that claim 1 consists of a combination of data structures and a digital processor which operates a computer program which impart functionality when employed as a computer component. Applicants believe Examiner has the initial burden of establishing a prima facie case that Applicants claim taking all limitations and wording into consideration does not contain any functional material that includes an interrelationship. So far Examiner merely provides the conclusory statement that Applicants claim language is directed to non-statutory subject matter and then selectively utilizes only some of the limitations apparently ignoring the rest of the limitations. For example Examiner states it "appears to the Examiner that claims 1 and 15 still only recite a file and a string embedded in that file, stored in a computer readable medium," without and then making the conclusory statement that embedding more than once or in a hidden manner does not define a functional interrelationship without considering the remainder of the claim language. Applicants respectfully request for purposes of clarifying the issues for Appeal that Examiner particularly state Examiner's interpretation of Applicants independent claims considering the entire wording of the claims as well as providing a reasoned argument how each element and/or limitation provides not functional material and no interrelationship between the claimed elements and/or limitations. Applicants further request Examiner provide some reasoned

explanation what Examiner considers a functional interrelationship is since Examiner has stated on the record that embedding a purchaser string two or more times where at least one embedding is in a hidden manner does not define a functional interrelationship.

Applicants believe the combination of a preexisting digital file having independent value to a provider, a digital string provided by a purchaser to a provider system where the digital string has latent value at least to the purchaser along with the limitations of the digital string embedded two or more times in the preexisting digital file by the digital processor of the provider system, to form an embedded digital file, wherein the digital string is embedded at least once in a hidden manner forming a hidden digital string before the valued content is conveyed to the purchaser is directed to statutory subject matter that falls within 35 U.S.C. §101. In particular, Applicants respectfully disagree with Examiner that the fact that the string is embedded more than once and in a hidden manner does not define functional relationship. Applicants assert that using a digital processor to obtain a preexisting digital file that has independent value to a provider and obtain a digital string from a purchaser that has a latent value to at least the purchaser and then embed the digital string from the purchaser in the preexisting digital file two or more times with at least one embedding taking place in a hidden manner is per se functional material that has a an interrelationship.

## **II. Information Disclosure Statement:**

Examiner has found the information disclosure statement filed 28 February 2006 fails to comply with 37 C.F.R. §1.98(a)(2). Applicants resubmit the information and request Examiner fully consider the cited references in Examiner's next Office Communication.

## **III. Rejections under 35 U.S.C. §103(a):**

Examiner on page 5 of this Office Communication rejected claims 1-15, 21-35, and 37-46 under 35 U.S.C. §103(a) as being unpatentable over Wiser et al. (U.S. Patent No. 6,385,596, "Wiser") in view of Fujiwara (U.S. Patent Application Pub. 2001/0054081, "Fujiwara") and further in view of Stefik et al. (U.S. Patent No. 6,233,684, "Stefik"). This rejection is respectfully traversed with regard to claims 1-15,

21-35, and 37-46 because all of the elements of the claimed invention are not present in the cited reference.

Amended independent claim 1 discloses "a processor readable medium having a valued content in a digital form, organized to contain: a preexisting digital file having independent value to a provider; and a digital string provided by a purchaser to a provider system of said preexisting digital file, said digital string having a latent value at least to said purchaser, *said digital string embedded two or more times in said preexisting digital file* by said provider system, to form an embedded digital file, before the valued content is conveyed to said purchaser, wherein *said digital string is embedded at least once in a hidden manner forming a hidden digital string*," as it is disclosed, defined, and claimed, in amended independent claim 1 by Applicants in the instant specification. *Emphasis added.* In contrast, Wisner discloses three distinct data objects used to encapsulate information used in a transaction. The three data objects are: 1) encrypted media files used to store media content; 2) a media voucher; and 3) a passport that encapsulates the user's personal information and the encryption keys to decrypt the encrypted media file. That is Wisner discloses the use of a passport digital file that enables the user to decrypt a media file, whereas the purchased media data file 200 is encrypted with the public key of a user's media player thus binding the media data file 200 to a specific user. *See* Col. 8, lines 48-51. Fujiwara on the other hand discloses a merchandise data contents delivery system that embeds personal data of the requesting user in the header of a PDF file which is displayed when the data contents of the file are displayed. Finally, Stefik discloses a "trusted rendering device for minimizing the risk of unauthorized copying of rendered digital works . . . [where the t]trusted rendering combines four elements: a usage rights language, encrypted on-line distribution, automatic billing for copies, and digital watermarks for marking copies that are rendered." Col. 4, lines 52-64. Although Applicants do not disagree with Examiner that Stefik discloses, in column 8 lines 51-55, multiple watermarks may be used including visible and invisible; Applicants note that Stefik also states the "system allows the owner of a digital work to attach rights to the work. The usage rights for the work define how it may be used and distributed." Col. 5, lines 39-41. Applicants have been unable to find anywhere within Stefik any mention or suggestion of including provider

information in the watermark. Applicants respectfully request that Examiner particularly point out where in Stefik such a disclosure is made or provide clear motivation found in Wiser, Fujiwara, and Stefik that would lead one of ordinary skill in the art to combine these three references together in the manner Examiner asserts would be obvious. Without some motivation to combine Stefik with Wiser and Fujiwara which must be found in the references themselves Examiner can only be using Applicant's instant specification as a template to cobble together the various prior art references which when read individually would not lead one of ordinary skill in the art to combine the references together to obtain Applicant's invention. Stefik discloses that the "watermark data typically provides information relating to the owner of a document and information relating to the rendering event (e.g. when and where the document was printed)," and thus teaches away from using personal information of the purchaser. Col. 3, lines 31-35. Thus, Applicants believe that the combination of Wiser in view of Fujiwara, and further in view of Stefik does not disclose, teach, or suggest the claim elements and limitations as disclosed in amended independent claim 1.

In regards to amended independent claim 15, claim 15 discloses a "digital processor comprising: a processor readable medium having a valued content in a digital form, organized to contain: a preexisting digital file having independent value to a provider; and a digital string provided by a purchaser to a provider system of said preexisting digital file, said digital string encrypted by the digital processor of said provider system and combined with an encrypted provider digital string to form a combined encrypted digital string, said combined encrypted digital string embedded two or more times in said preexisting digital file by the digital processor of said provider system before the valued content is conveyed to said purchaser, said digital string having a latent value at least to said purchaser which places said purchaser at increased financial risk when known by another." As previously noted neither Wiser nor Fujiwara discloses, teaches, or suggests either embedding a combined encrypted digital string or embedding such a file two or more times in the preexisting digital file, and as noted above although Stefik discloses the use of multiple watermarkings Applicants believe there is no motivation found in the references themselves to combine all three references together as well as Stefik teaching away from Wiser and/or Fujiwara since Stefik

emphasizes the need for provider information with no mention or suggestion of utilizing purchaser information.

In regards to independent claims 21, 37, and 44 Applicants believe that the combination of all the elements determines allowability over the art; however, again each of these independent claims contains limitations similar to claim 1 that distinguishes these claims over Wiser, Fujiwara, and Stefik.

Examiner, on page 14 of this Office Communication rejected claim 36 under 35 U.S.C. §103(a) as being unpatentable over Dwork et al. (U.S. Patent No. 6,038,316, "Dwork") in view of Fujiwara (U.S. Patent Application Pub. 2001/0054081, "Fujiwara") and further in view of Stefik et al. (U.S. Patent No. 6,233,684, "Stefik"). This rejection is respectfully traversed with regard to claim 36 because all of the elements of the claimed invention are not present in the cited reference.

In regards to independent claim 36, claim 36, discloses, a "method for protecting valued content comprising the steps of: electronically acquiring a digital string from a purchaser, said acquired digital string having a latent value at least to said purchaser; embedding said acquired digital string in an encryption key to form an embedded encryption key; embedding said acquired digital string two or more times in a preexisting digital file having independent value to a content owner to form an embedded digital file, wherein said acquired digital string is embedded at least once in a hidden manner forming a hidden digital string; encrypting said embedded digital file to form an encrypted digital file; and conveying said embedded encryption key and said encrypted digital file, as valued content, to said purchaser." In contrast, Dwork discloses a process for distributing content that includes picking an extrication function, obtaining a user number, generating an authorization signal value, and combining the user number and authorization signal value to form a signet pair. As noted above Fujiwara discloses a merchandise data contents delivery system that embeds personal data of the requesting user in the header of a PDF file which is displayed when the data contents of the file are displayed. as noted above although Stefik discloses the use of multiple water markings Applicants believe there is no motivation found in the references themselves to combine all three references together as well as Stefik teaching

away from Wiser and/or Fujiwara since Stefik emphasizes the need for provider information with no mention or suggestion of utilizing purchaser information. Applicants believe that neither Dwork, Fujiwara, nor Stefik discloses, teaches, or suggests the claim elements and limitations as disclosed in amended independent claim 36.

In regards to the dependent claims, if an independent claim is nonobvious under 35 U.S.C. 103, then any claim depending therefrom is nonobvious. MPEP 2143.03. Dependent claims 2-14, 22-35, 38-43, and 45-46 are dependent upon independent claims 1, 21, 37, and 44 respectively and are therefore believed to be allowable, at least for this reason alone, as dependent upon a believed allowable claim. Accordingly, Applicants assert that the rejection of dependent claims 2-14, 22-35, 38-43, and 45-46 has been overcome at least for this reason alone. Therefore, Applicants respectfully request that the Examiner withdraw the rejection of dependent claims 2-14, 22-35, 38-43, and 45-46 based on Wiser in view of Fujiwara under 35 U.S.C. §103(a).

Therefore, in view of the foregoing Amendment and Remarks, Applicants believe the present application to be in a condition suitable for allowance. Examiner is respectfully urged to reconsider the present Application in light of the foregoing Amendment, and pass the amended Application to allowance.

If for any reason the Examiner finds the application other than in condition for allowance, the Examiner is respectfully requested to call Applicants' representative at (541) 715-1694 to discuss the steps necessary for placing the application in condition for allowance.

Favorable action by the Examiner is solicited.

Hewlett-Packard Company  
1000 NE Circle Blvd. m/s 422B  
Corvallis, OR 97330  
(541) 715-1694

Respectfully submitted,  
Charles M. Patton et al.

By: /Donald J. Coulman  
Donald J. Coulman  
Reg. No. 50,406  
Attorney for Applicant

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